II

119TH CONGRESS
2D SESSION

S. 4881

To amend the Internal Revenue Code of 1986 to modify the matching funds requirement for grants provided to low-income taxpayer clinics.

IN THE SENATE OF THE UNITED STATES

JUNE 24, 2026

Mr. WELCH (for himself and Mr. MARSHALL) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify the matching funds requirement for grants provided to low-income taxpayer clinics.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Unlocking Low-Income Taxpayer Clinic Funding Act’’.

SEC. 2. LOW-INCOME TAXPAYER CLINIC FUNDING UNLOCKED.

(a) MATCHING FUNDS.—Paragraph (5) of section 7526(c) of the Internal Revenue Code of 1986 is amended to read as follows:

"(5) REQUIREMENT OF MATCHING FUNDS.—

"(A) IN GENERAL.—With respect to any grant provided to a low-income taxpayer clinic under this section, such clinic shall provide matching funds equal to the applicable percentage of the amount of such grant.

"(B) MATCHING FUNDS.—

"(i) IN GENERAL.—For purposes of this paragraph, the term 'matching funds' may include—

"(I) the salary (including fringe benefits) of individuals performing services for the low-income taxpayer clinic, and

"(II) the cost of equipment used in the low-income taxpayer clinic.

"(ii) EXCLUSION.—For purposes of this paragraph, the term 'matching funds' shall not include any indirect expenses, such as general overhead of the institution sponsoring the low-income taxpayer clinic.

"(C) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be 100 percent, except that the Secretary may establish a lower percentage (not below 25 percent) if the Secretary determines that such percentage would expand the coverage of the low-income taxpayer clinic to additional taxpayers.''.

(b) TECHNICAL AMENDMENTS.—Section 7526(c) of the Internal Revenue Code of 1986, as amended by subsection (a), is further amended—

(1) by striking paragraphs (1) and (2), and

(2) by redesignating paragraphs (3) through (6) as paragraphs (1) through (4).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after the date of enactment of this Act.

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